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Mr. Hiroshi Kajiyama, Minister of Economy, Trade and Industry
Mr. Taizo Takahashi, Commissioner, Agency for Natural Resources and Energy, Minister of Economy,
Trade and Industry
Members of the Working Group on Sustainability of Biomass

Friends of the Earth Japan

Request on Biomass Power Generation

Realize "reduction of environmental footprints," the original purpose of the FIT Act

Biomass power generation is rapidly expanding due to the feed-in tariff, or FIT, scheme for renewable energies in Japan. However, most of the approved biomass power relies on the imported fuels such as wood pellets, palm oil and palm kernel shell (PKS) .

Many of imported biomass fuels emit greenhouse gases (GHGs) in the volume comparable to that of fossil fuels in their entire lifecycle from cultivation, processing, transport and combustion.ⁱ If the lifecycle involves a land use change through logging, the fuel causes destruction of biodiversity and emits GHGs in the amount far greater than that of fossil fuels. Biomass power generation is by no means carbon neutral.

Some biomass power projects are harming people's lives.

A palm oil power plant operating in Fukuchiyama City, Kyoto Prefecture, is threatening the lives of residents in the area due to noises and bad smells. The operator of the woody biomass power plant in Tamura City, Fukushima Prefecture, backed down on its previous explanation that they would not use the tree barks with high radiation levels, and did not disclose its fuel procurement plan despite the request for disclosure by the residents. Now the residents are taking legal action.

One of the purposes of the FIT scheme is the reduction of environmental footprints according to the FIT Act, but we are concerned that the **promotion of problematic biomass power generation is causing the destruction of the environment on the global and local levels.**

In recent years, the Agency for Natural Resources and Energy under the Minister of Economy, Trade and Industry (METI) strengthened the "**Project Planning Guideline**" related to FIT approval and, for sustainability of palm oil in particular, incorporated a requirement for third-party certification by RSPO (The Roundtable for Sustainable Palm Oil) and RSB (The Roundtable for Sustainable Biomaterials). However, in this guideline, **the assessment of the GHG emissions is limited to "new" fuels.** This means that the fuels that have been previously approved are exempt from the GHG emissions assessment. As for wood pellets whose imports are expanding rapidly in recent years, the "**Guideline for Verification of Legality and Sustainability of Wood and Wood Products**" set by the Forestry Agency in February 2006 continues to be used. This Guideline has many loopholes as it leaves the verification of legality and sustainability to business operators.

We and other NGOs issued the "**Joint Proposal on Biomass Power Generation**"ⁱⁱⁱ in July 2019. Drawing partially on the proposal, we propose the review of the approval standards for FIT as follows:

- 1. Exclude from the FIT scheme those projects that are not expected to result in sufficient**

reductions of GHG emissions throughout the lifecycle of the project, those that use palm oil as a fuel, and those that plan to use fuels containing radioactive materials and other pollutants.

2. **Make a concrete study of the methods to verify sustainability and legality of the imported woody biomass. Strengthen the existing guideline of the Forestry Agency or incorporate it in the Project Planning Guideline of the Agency for Natural Resources and Energy under METI.**
3. **Require the business operators to conduct an environmental impact assessment, provide a thorough explanation and disclose information to residents and obtain their consent.**
4. **Require the business operators to disclose information on the assessment of the GHG emissions throughout the lifecycle of the project and the basis of the assessment, types of fuels and where they are produced and the certification of sustainability.**
5. **Introduce a mechanism through which to conduct appropriate investigations into, and seek solutions to, the doubts expressed by the residents and third parties about the project.**

<Reasons for the Request>

1. **Exclude from the FIT scheme those projects that are not expected to result in sufficient reductions of GHG emissions throughout the lifecycle of the project, those that use palm oil as a fuel, and those that plan to use fuels in which radioactive materials and other pollutants are found in high probabilities.**

- The FIT Act aims at "**reducing environmental footprints.**" Reducing environmental footprints should include reductions in the GHG emissions. As long as the FIT is supported by the surcharges paid by the users of electricity, the project is required to reduce environmental footprints substantially.
- Many of imported biomass fuels **emit GHGs in the volume comparable to that of fossil fuels** in their entire lifecycle from cultivation, processing, transport and combustion. As long as the biomass power is promoted through a public scheme of FIT, a significant amount of reductions as compared to fossil fuels is needed and the emissions volume should be at least less than 50% of the amount emitted from LNG.
- To be more specific, the Agency for Natural Resources and Energy should calculate the default value for GHG emissions by place of origin and type of fuel and indicate what should be clearly excluded. As for those found in a gray area, the Agency should require the operator to disclose the GHG emissions estimation as well as the adequate basis for its calculation.
- In particular, **palm oil** has a high risk of land use change and when the land use change occurs, it has **a serious impact on the biodiversity of the forest** and emits an enormous amount of GHGs (5 times more when it accompanies development of tropical forests and 139 times more when it involves peatland development). Even if the operator has obtained a third-party certification such as RSPO, there are limitations and loopholes in RSPO: **RSPO (2013)** allows forest development except the ecosystems with high conservation value such as primary forest and RSPO (2018) allows forest development before November 2018. Also

RSPO has not set a standard for GHG emissions. As long as there is a limit to available arable lands, using RSPO-certified palm oil as a fuel for biomass power generation drives out the crops cultivated in the land, which will serve as a pressure to promote forest development. Such "**indirect impact**" should also be considered. For these reasons, power generation fueled by palm oil should be excluded from the FIT scheme.

- Some biomass power generation projects plan to use **tree barks and woods contaminated by radiation** causing concerns among residents. Even with a bug filter, some microparticles with radioactive substances are leaked when burned. Currently, there is no regulation of the levels of radioactive concentration in woody biomass used as a fuel. Therefore there is a risk that a fuel with which a high level of radioactive substances are attached is burned. Monitoring during the plant operation and the disposal of the ashes are left to the operator.
- The Project Planning Guideline already states that competition between new fuels and foods should be avoided. However, this does not apply to palm oil, which is an existing fuel. The principle should also apply to existing fuels.

2. Make a concrete study of the methods to verify sustainability and legality of the imported woody biomass. Strengthen the existing guideline of the Forestry Agency or incorporate it in the Project Planning Guideline of the Agency for Natural Resources and Energy under METI.

- The import of wood pellets is rapidly increasing in recent years, topping 1.6 million tons in 2019 (Ministry of Finance Trade Statistics). Many are imported from North America and Viet Nam. It is expected to continue to increase.
- In North America, there are reports of logging activities threatening biodiversity and the rights of indigenous peoples, clear cutting of natural forests and production of wood pellets from logs, not from residue woods.ⁱⁱⁱ Many defects are found in the certification of sustainability, making it necessary to closely look into the effectiveness of certification.
- To verify sustainability and legality of woody biomass, the operator is supposed to refer to the **Guideline for Verification of Legality and Sustainability of Wood and Wood Products (February 2006) set by the Forestry Agency**. However, the Guideline was developed before the enforcement of the FIT Act and 14 years have passed since then. It also allows "certification by related bodies" and "independent efforts by individual companies," in addition to third-party certification. In comparison to palm oil on which the Working Group on Sustainability of Biomass studied some certifications in details to find out whether they are sufficient or not, verification is left to the operators for woody biomass, which is too lax.
- Existing forest certification systems such as FSC (Forest Stewardship Council) were not developed with biomass power generation fuels in mind. They have not set numerical standards for GHG emissions either.
- As for wood pellets from Viet Nam, many biomass power operators supposedly use FSC-certified materials. Although the operator should confirm from the invoice and packing list that the imported materials are FSC certified and that the supplier has obtained chain of custody (CoC) certification, **not a few operators confirm only the supplier's CoC certification**. A CoC certification only certifies the segregated management in the

distribution process. Buyers are required to verify both forest management certification for imported materials and CoC certification for suppliers, but neither the guideline by the Forestry Agency nor the one by the Agency for Natural Resources and Energy clearly indicates this.

- As for the import of FSC-certified pellets from Viet Nam, doubts were expressed (Note iv) about possible false statement of certification because the imported amount was far greater than the production volume estimated from the certified forest area.^{iv} FSC Japan released a press statement on this,^v saying “the FSC certification system allows for the mixing of other material that does not originate from certified forests, a discrepancy between the estimated certified wood production volume and the amount of imported certified pellets does not necessarily indicate that certification fraud has taken place.” On the other hand, control woods, agricultural residues and construction wastes are recognized as FSC mix in the FSC certification system as long as they have satisfied certain standards, but if construction wastes are mixed with the raw materials for wood pellets, it is not deemed as a FSC category of “general woody biomass.” As shown above, there are many aspects that need to be considered when an existing certification system is used to verify sustainability and legality in the FIT scheme.

3. Require the business operators to conduct an environmental impact assessment, provide thorough explanation to residents, disclose information and obtain consent.

- At **Sankei Fukuchiyama Biomass Power Plant** (Fukuchiyama City, Kyoto Prefecture), the residents' life is threatened by a noise and bad smell. At the briefing for the residents, the operator explained that "the noise outside the company buildings will be controlled to levels below 50db by installing a noise-blocking wall. The smell is light and sweet, characteristic to plants, causing no problem." In reality, however, the noise level exceeds 70db.
- At the biomass power generation project planned by **Takeei** in Tamura City, Fukushima Prefecture, the company had explained that it would not use the tree barks with high levels of radiation as a fuel but later decided to use them.^{vi} When the residents concerned about the radioactive contamination requested disclosure of information on its fuel procurement plan, the documents the company made public were heavily redacted, **not providing information requested by the residents**. The company also did not reveal the performance criteria of the HEPA filter it said it would install additionally to guard against the diffusion of radioactive materials. Later, the residents concerned about the radioactive contamination sued the company.
- Even if an environmental impact assessment is not a legal requirement, the operator should be asked to conduct a voluntary assessment and the disclosure of its results as long as the project is promoted under FIT which is a public scheme.

4. Require the business operators to disclose information on the assessment of the GHG emissions throughout the lifecycle of the project and its basis, types of fuels and where they are produced as well as the certificate of sustainability.

- As was stated in 1. above, the projects that emit obviously high levels of GHGs due to the place of production of fuels and the type of fuel should be excluded from the coverage of FIT approval. For those that do not, the operator should disclose the GHG emissions assessment for the entire lifecycle of the project and the basis for the assessment.
- Information regarding the type of fuel, place of its production and sustainability such as certification should be disclosed so that the residents and third parties can verify the environmental impact assessment and the project's sustainability. Currently information for palm oil, such as the name of the third-party certification scheme, the quantities of the certified fuels used in the plant and the identification number unique to the certified fuel is requested to be disclosed, but the place of production cannot be traced with such information alone in ordinary cases. Also there is no such description found for woody biomass.
- Information disclosure is essential in improving credibility of the project and putting a brake on the implementation of problematic projects.

5. Introduce a mechanism through which to conduct appropriate investigations into, and seek solutions to, the doubts expressed by the residents and third parties about the project.

As stated above, the residents have raised serious doubts about Sankei Fukuchiyama Biomass Power Plant and Tamura Biomass Energy Power Plant. A question was raised about the wood pellets from Viet Nam as to the possibility of fraudulent certification. A mechanism should be introduced so that the complaints and petitions from the residents and third parties can be received, investigated adequately and solved.

Contact: Friends of the Earth Japan
1-21-9, Komone, Itabashi-ward, Tokyo 173-0037, Japan
E-mail : info@foejapan.org TEL: 03-6909-5983

ⁱ Mitsubishi UFJ Research and Consulting (commissioned by the Ministry of Economy, Trade and Industry), "Report on stable procurement, sustainability etc. of biomass fuels," February 2019, p. 112

ⁱⁱ HUTAN Group, Institute for Sustainable Energy Policies (ISEP), Kiko Network, FoE Japan, Global Environmental Forum, Japan Tropical Rainforest Action Network (JATAN), Biomass Industry and Society Network, "Joint Proposal on Biomass Power Generation," July 6, 2019, <https://www.foejapan.org/forest/library/190716.html>

ⁱⁱⁱ Stand. Earth, April 2020, *Investigation - Canada's growing wood pellet export industry threatens forests, wildlife and our climate*; <https://www.stand.earth/publication/canadas-growing-wood-pellet-export-industry-threatens-forests-wildlife-and-our-climate>

Partnership for Policy Integrity Dogwood Alliance, March 2016, [*Carbon Emissions and Climate Change Disclosure by the Wood Pellet Industry – A Report to the SEC on Enviva Partners LP*](#)

ⁱⁱⁱ Mitsubishi UFJ Research and Consulting (commissioned by the Ministry of Economy, Trade and Industry), "Report on stable procurement, sustainability etc. of biomass fuels," February 2019, p. 112

^{iv} Research Institute for Environmental Science, "Suspected large-quantity frauds of FSC certificates in imported wood pellets for fuels for biomass power generation run under feed-in tariff (FIT) scheme. Wood pellets of 5.5 times the volume of the production capacity 'certified' in Viet Nam. (RIEF)," May

23, 2020.

^v FSC Japan press release, "Precaution when Using FSC Forest Certification for the Biomass Feed-in-Tariff System," <https://jp.fsc.org/jp-jp/news/id/677>

^{vi} "Okoshi-machi, Tamura City, rocked by planned biomass power generation," *Seikei Tohoku*, October 2017. Materials provided by Citizens' Radioactivity Watch Center (Chikurinsha).